

part 8

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

VIRGINIA NATURAL GAS, INC.

CASE NO. PUE-2016-00143

Application of Virginia Natural Gas
For a general rate increase and for authority to revise the terms and
conditions applicable to natural gas service

Testimony and Schedules

PUBLIC VERSION

VOLUME 2 of 10

Filed: March 31, 2017

**VIRGINIA NATURAL GAS, INC.
RATE CASE FILING
CASE NO. PUE-2016-00143**

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MEISELMAN
170340103

GATTIN

Title: Managing Director, Rate Design and Tariff Administration, Southern Company Gas

Summary:

Company witness David M. Meiselman describes and supports certain tariff and rate schedule revisions that are appropriate to ensure that Virginia Natural Gas, Inc.'s ("VNG" or the "Company") Terms and Conditions and Schedules for Supplying Gas ("Tariff") reflect current customer and business needs and practices.

Mr. Meiselman addresses the substantive Tariff revisions being proposed. He testifies that the Company proposes to revise: Section I to update line extensions for existing and new customers; Sections III and XVIII to revise the non-gas revenue factor; Section III to include an option for customers to request excess flow valves; Section XVIII to provide a gas line extension option to new customers installing qualifying appliances; and Section XX to update its Quarterly Billing Factor for the purchased gas cost adjustment mechanism to revise the timing and calculation of the actual cost adjustment.

Company witness Meiselman describes the Company's proposed revisions to several rate schedules to reflect the needs of current customers and business practices of the Company. These proposed revisions include: replacing multiple sales rate blocks with flat block rates and increasing the customer charges on Rate Schedules 1 through 4; removing a demand component from Rate Schedule 2; closing Rate Schedules 3 and 4 to new customers; revising the scheduling and penalty terms for the transportation rate schedules; withdrawing Rate Schedule 8; revising Rate Schedules 6, 7, 9, 10, and 13 through 16 as a result of withdrawing Rate Schedule.

Mr. Meiselman introduces the Company's proposed Rate Schedule 1A, which is optional for existing customers, and applicable to new master meters installed at multi-family housing developments with five or more residential units. VNG is proposing to include a fixed customer charge of \$6.00 per housing unit per month, and a single volumetric block for the non-gas sales rate for Rate Schedule 1A.

Company witness Meiselman discusses the Company's methodology to forecast number of customers and projected volume of natural gas consumption in the rate year.

Lastly, Mr. Meiselman testifies that a residential customer's monthly bill will contain an average rate increase of \$7.98 per month, based on annual consumption of 571 CCFs. He provides sample bills for each proposed revised rate schedule in Filing Schedule 43.

**DIRECT TESTIMONY
OF
DAVID M. MEISELMAN
ON BEHALF OF
VIRGINIA NATURAL GAS, INC.
BEFORE THE
STATE CORPORATION COMMISSION OF VIRGINIA
CASE NO. PUE-2016-00143**

1 **Q. Please state your name, position, and business address.**

2 A. My name is David M. Meiselman, and I am Managing Director – Rate Design and Tariff
3 Administration for Southern Company Gas (“GAS”). My business address is Ten
4 Peachtree Place, Atlanta, Georgia 30309.

5 **Q. Please describe your professional background and education.**

6 A. I assumed my current position in September 2016. In this capacity, I am responsible for
7 overseeing the rates and tariffs of regulated public utility subsidiaries of GAS, including
8 Virginia Natural Gas, Inc. (“VNG” or the “Company”). Prior to this position, I served in
9 several analyst and manager positions of increasing responsibilities within the
10 Accounting, Finance and Treasury departments of The Southern Company (“Southern”).
11 Most recently, I served as the Assistant to the Chief Financial Officer of Southern. Prior
12 to this role, I was Regulatory Accounting Manager for Georgia Power Company
13 (“GPC”). I was responsible for determining GPC’s revenue requirements and overall
14 coordination of its base rate cases, including oversight of GPC’s retail return on equity
15 and cost allocation methodologies. I began working for Southern in 1998. I hold a
16 Master’s in Business Administration with a concentration in finance from Emory
17 University, and a Bachelor of Science in Economics from the Wharton School of the
18 University of Pennsylvania. A statement of my background and qualifications is attached
19 as Appendix A.

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A. Yes. Company Exhibit No. __, DMM, consisting of Schedule 1, has been prepared under my direction and supervision, and is accurate and complete to the best of my knowledge and belief. I am also sponsoring Filing Schedule 41, and co-sponsoring Filing Schedule 29 with Company witness Michael J. Morley, and Filing Schedules 42 and 43 with Company witness David A. Heintz, all of which are included in support of VNG's request for an increase in the Company's base delivery rates as required for gas distribution companies by the Commission's Rules Governing Utility Rate Applications and Annual Informational Filings, 20 VAC 5-201-10 *et seq.* ("Rate Case Rules").

A. My testimony describes and supports certain tariff and rate schedule revisions that are appropriate to ensure that VNG's Terms and Conditions and Schedules for Supplying Gas ("Tariff") reflects current customer and business needs and practices. In my testimony, I address the Tariff revisions that I consider to be substantive rather than the stylistic or non-material modifications. I present:

IV. Revenue Analysis – Analysis of the revenue produced in the test year and the forecasted revenue in the rate year.

I. TARIFF REVISIONS

Q. Please summarize the substantive revisions to the Terms and Conditions of the Tariff that are reflected in Filing Schedule 41.

A. The Company proposes revising the following Sections of the Terms and Conditions: Section I to update line extensions for existing and new customers; Sections III and XVIII to revise the non-gas revenue factor; Section III to include an option for customers to request excess flow valves; Section XVIII to provide a gas line extension option to new customers installing qualifying appliances; and Section XX to update its Quarterly Billing Factor for the purchased gas cost adjustment mechanism to revise the timing and calculation of the Actual Cost Adjustment (“ACA”).

Q. Please discuss the revision to Section I of the Tariff.

A. The revision in Section I requires the customer, applicant, or property owner, if different from the customer or applicant, to grant VNG rights-of-way and access rights, satisfactory to VNG, in order for VNG to access, install, and remove lines and apparatus necessary or incidental to providing gas supply service.

Q. Why is the Company proposing to remove the numeric non-gas revenue factor stated in Sections III and XVIII of the Tariff?

A. The Company has removed references to the numeric non-gas revenue factor of 5.7 because the stated revenue factor is outdated. The Company proposes to replace it with a net present value calculation that takes into account both revenues and costs. The

Company will determine the net present value using VNG's authorized rate of return.

These revisions appear in Section III at subsection D, and Section XVIII at subsections A and F.

Q. What is the Company's proposal in Section XVIII for gas line extensions?

A. The Company is proposing to include a gas line extension option applicable to new residential firm sales customers installing qualifying natural gas-fueled home appliances. New subsection B provides these customers with up to 100 feet of service line installed at no charge, subject to eligibility requirements, terms and conditions of the service line agreements, and the requirement that qualifying appliances are installed in the customer's residence. The Gas Line Extension agreements associated with Section XVIII have also been revised to include this 100-foot extension option for new residential customers, reflect the obligation to convey such rights-of-way in Section I of the Tariff, and incorporate any other changes to reflect current customer needs and business practices.

Q. Please explain the Tariff revision pertaining to excess flow valves.

A. Section III includes new subsection E to reflect a final rule that Pipeline and Hazardous Materials Safety Administration ("PHMSA") promulgated relating to excess flow valves.¹ When it becomes effective on April 14, 2017, the Excess Flow Valve Rule will require VNG to install Excess Flow Valves ("EFV") on new or replaced service line installations, and notify customers that they may request EFVs on existing non-replacement service lines. However, PHMSA did not determine who should bear the cost

¹ Pipeline Safety: Expanding the Use Of Excess Flow Valves in Gas Distribution Systems to Applications Other Than Single-Family Residences, 81 Fed. Reg. 199 at 70987 (Oct. 14, 2016), corrected at 81 Fed. Reg. 204 at 72739 (Oct. 21, 2016) ("Excess Flow Valve Rule").

to install EFV on an existing line not being replaced. VNG proposes that customers requesting an EFV in such circumstances should be responsible for the costs associated with the EFV installation. Indeed, PHMSA found it would not be cost-effective to require operators to install EFVs in these circumstances because the costs of excavation and additional labor would exceed the benefits of installed EFVs. PHMSA intended only to provide customers with an existing service line the option to request an EFV, but fully understood “that customers would typically be required to pay for such installations.”² Accordingly, VNG proposes a Tariff revision to require customers requesting EFVs on existing gas service lines, which are not being replaced, to bear the costs associated with such EFV installation.

Q. Is the Company revising the Quarterly Billing Factor for the purchased gas cost adjustment mechanism?

A. Yes. Section XX contains two general revisions. First, several revisions update the components used in the rate calculation process. The updated components include system peak day volume, rate schedule allocation factors, elements of the commodity costs calculation, and the target margin. These costs are consistent with the types that the Commission has previously found appropriate for recovery. Company witness Morley removed these costs from base rate recovery, as reflected in Filing Schedule 21. Second, the Company proposes to change the timing and calculation of the ACA.

Q. Please elaborate on VNG’s proposed changes to the ACA.

A. VNG is proposing two changes to the ACA calculation. First, the Company proposes to

² See *supra* note 1, 81 Fed. Reg. 199 at 70996.

1 calculate the ACA component on an annual, rather than quarterly, basis. An annual
 2 calculation will simplify audits of the Quarterly Billing Factor. In addition, calculating
 3 the actual cost adjustment annually is consistent with how other natural gas utilities in
 4 Virginia structure their actual cost adjustment components. These revisions are in
 5 Section XX at subsection C.

6 Second, the Company proposes to include the refund calculation in the ACA. Subsection
 7 D reflects a proposal to revise penalties in the transportation schedules that I discuss
 8 below in greater detail. This revision allows VNG to refund to Firm Gas Sales and Firm
 9 Gas Delivery customers a net amount of penalties collected from transportation
 10 customers due to unauthorized overtake of gas supply.³ Additionally, the Company
 11 currently calculates all supplier and pipeline refunds as a separate component of the
 12 Quarterly Billing Factor. The Company proposes to include these supplier and pipeline
 13 refunds to Firm Gas Sales customers in the annual ACA calculation. This will further
 14 simplify the purchased gas cost calculation without a detrimental rate impact on the
 15 customers whose Quarterly Billing Factor includes the ACA.

16 **Q. Are there revisions to the riders in the Tariff?**

17 **A.** Yes. Following are VNG's proposed changes to Rider C, Rider D and Rider E:
 18 Rider C is revised at the Terminology subsection to update the billing rates for Non-Gas
 19 Rate – Tier B and Non-Gas Rate – Tier C. This update is necessary to reflect the
 20 proposed revenue requirement.

³ The net refunds to Firm Gas Sales customers will be included in the ACA, while the net refunds will be applied to Firm Gas Delivery customers through the quarterly refund component.

Rider D is revised at subsection II to update the Monthly Normalized Use per Customer for Rate Schedules 1 and 3, and the Monthly Normalized Non-Gas Revenue per Customer for Rate Schedules 1 and 3, which are used in the rate design for VNG's conservation and ratemaking efficiency plan ("CARE") program rider.

Rider E is revised at subsection III to set to zero the rates for each distribution service rate schedule. The Company will include the proposed effective rates for Rider E in its Steps to Advance Virginia's Energy ("SAVE") Rider update application to be filed May 1, 2017. The SAVE filing will properly reflect the actual capital investments made in the Company's pipeline infrastructure through VNG's SAVE Plan, in accordance with Va. Code § 56-604, and as Company witness Morley describes in greater detail. Company witness Morley explains the SAVE expenditures that are proposed for recovery in delivery base rates.

Q. Would you please summarize the proposed revisions to the Rate Schedules?

A. Based on the recommendation of Company witness Heintz, VNG proposes to eliminate many of its multiple sales rate blocks from Rate Schedules 1 through 4, and increase the customer charges on these rate schedules. The Company proposes to remove a demand component for Rate Schedule 2. VNG is requesting to close Rate Schedules 3 and 4 to new customers, and withdraw Rate Schedule 8. The proposed revisions to Rate Schedules 6, 7, 9, 10, and 13 through 16 are necessary if Rate Schedule 8 is withdrawn. The Company proposes revising the scheduling and penalty terms for the transportation rate schedules. Finally, the Company proposes to remove gasification of propane terms in Rate Schedule 10, and modify the associated Agreement for Optional Gas Sales Service consistent with the change in Rate Schedule 10.

Q. Why is VNG proposing to eliminate its multiple rate blocks for Rate Schedules 1 through 4?

A. Most of VNG's current rate schedules are structured as declining block sales rates. However, with weather normalization and revenue decoupling, multiple volumetric-based sales blocks are no longer necessary. Therefore, in accordance with Company witness Heintz's recommendation, the Company proposes a flat sales rate structure for Rate Schedules 1, 2A, and 2B; a two-block charge for Rate Schedule 2C; flat seasonal distribution rates for Rate Schedule 3; and two-part seasonal distribution rates for Schedule 4.

Q. Is VNG proposing other revisions to Rate Schedule 2?

A. Yes. The Company proposes to eliminate Section II.C and III from Rate Schedule 2. Although these sections reference a demand component for billing, VNG has not actually designed a separate component to bill demand on an individual customer basis.

Q. Why is VNG seeking to close Rate Schedules 3 and 4 to new customers?

A. Rate Schedule 3 applies to residential customers taking firm gas supply for gas-fired central air conditioning systems. Only two customers currently take service under this rate schedule, which is down from a high of 29 customers since the 2011 Rate Case. This significant decrease in customers has created distorted allocations of revenue requirements in the Company's SAVE rider updates. For example, the Company must combine Rate Schedules 1 and 3 to avoid an over-allocation of the revenue requirement to the Rate Schedule 3 customer class. Rate Schedule 4 is applicable to non-residential firm gas customers for gas-fired central air conditioning systems, and currently has thirteen customers taking service under this rate schedule. For these reasons, VNG seeks

Commission approval to close Rate Schedules 3 and 4 to new customers.

Q. Turning to the transportation schedules, why is VNG seeking to withdraw Rate Schedule 8?

A. No customers currently take service under Rate Schedule 8. In 2006, four customers were on Rate Schedule 8, but since 2012, those customers have migrated to Rate Schedule 9. Given the customer preference for Rate Schedule 9, the Company is seeking Commission approval to withdraw Rate Schedule 8.

Rate Schedules 6 through 16 now include references to Rate Schedule 9, rather than Rate Schedule 8, where applicable. Rate Schedule 8 contains only commodity services, but Rate Schedule 9 contains both commodity services and delivery services. Therefore, some of the transportation rate schedules clarify that certain charges are based on the commodity services, not delivery services, in Rate Schedule 9. These revisions appear in Rate Schedules 6 and 7 at subsection E.1, Rate Schedule 10 at subsection III, and Rate Schedule 15 at subsections III.D.1(i) and III.D.2(i).

Q. Please discuss the proposed changes to the scheduling terms and receipt points.

A. The Company is proposing to update the scheduling provisions to more accurately reflect the way VNG currently provides service to these customers. Customers may now provide daily volume schedules to VNG electronically. Additionally, VNG will be able to determine eligible receipt points for transportation customers based on proximity of a customer's meter to the receipt point. This revision will improve balancing on VNG's system. These revisions appear in Rates Schedules 6, 7, and 13 at subsection VII, Rate

Schedules 9 and 16 at subsection V, and Rate Schedules 14 and 15⁴ at subsection VI.

Q. Why is VNG proposing to revise the penalty terms in the transportation rate schedules?

A. The penalty revisions will address and improve imbalances on VNG's system that can negatively impact firm gas customers. The current penalty in the transportation rate schedules is set too low and, in the Company's experience, does not create sufficient incentive for customers to curtail when ordered to do so, consistent with the intent of their applicable rate schedules. The revised penalty encourages interruptible customers to obtain supply from alternative fuel sources during periods when VNG requires curtailment in order to provide reliable service to its firm distribution customers. Similarly, the revised penalty will encourage firm transportation customers to target a zero transportation volume imbalance and remain within a specified volume range. When transportation customers overtake gas supply off of VNG's system, which they are willing to do if the penalty is insubstantial, VNG needs to procure additional gas supply to serve its firm gas customers. This may require VNG to enter the spot market where prices are higher, sometimes substantially higher, to the direct detriment of firm gas customers. The Company designed the revised penalty, and updated the refund component to flow a net amount of penalties to firm gas customers, to resolve this imbalance. The penalty revisions appear in Rate Schedules 6 and 7 at subsection II.E.2, Rate Schedules 9 and 16 at subsection VII, and Rate Schedule 15 at subsections II.3, III.D.1(ii) and III.D.2(iii). As I testified above, net refunds are made to firm customers in

⁴ Rate Schedule 15 currently allows daily volume schedules to be delivered to VNG electronically, therefore revisions in Schedule 15 relate only to receipt points.

1 accordance with Quarterly Billing Factor in Section XX of the Tariff.

2 **Q. Are there any other revisions to the transportation rate schedules?**

3 A. Yes. There are two. First, the Company is proposing to remove the gasification of
4 propane in Rate Schedule 10 because interruptible customers are not using propane
5 supply as an alternative fuel source. Second, consistent with the revisions to the Terms
6 and Conditions that I discussed previously, VNG proposes to delete references to the
7 outdated non-gas revenue factor of 5.7 in Rate Schedule 13, and instead use a net present
8 value calculation taking into account both revenues and costs. The Company will
9 determine the net present value using VNG's authorized rate of return.

10 **Q. Has the Company prepared new rates for each rate schedule and new Miscellaneous**
11 **Services fees?**

12 A. Yes. The proposed revised rates are summarized in my testimony Schedule 1.

13 **II. RATE DESIGN PROPOSALS**

14 **Q. VNG is proposing to implement new Rate Schedule 1A applicable to multi-family**
15 **housing developments. Please discuss this new rate schedule.**

16 A. Rate Schedule 1A is similar to existing Rate Schedule 1, only with different applicability
17 requirements, customer charge, and minimum or guaranteed term. VNG proposes Rate
18 Schedule 1A to be applicable to firm gas sales service provided through master meters
19 installed at multi-family housing developments that have five or more residential units.
20 Rate Schedule 1A would be optional for existing customers, currently on Rate Schedule
21 2, with master meters at similar types of multi-family housing developments. There is a
22 fixed customer charge of \$6.00 per housing unit per month. The Company proposes a

single block for the non-gas sales rate. New customers receiving service under proposed Rate Schedule 1A will enter into a contract requiring the customer to remain on Rate Schedule 1A for a minimum term. A required minimum term is appropriate to support the capital expenditures VNG will undertake to install new master metering facilities at these types of multi-family housing developments.

Q. If Rate Schedule 2 is applicable to multi-family customers, why is VNG proposing new Rate Schedule 1A?

A. The Company has designed Rate Schedule 1A to provide a more economical option for new customers who want to install natural gas facilities in multi-family housing developments. Under Rate Schedule 2, a new customer may need to make a potentially significant upfront contribution in aid of construction to install the master meter and related natural gas lines at the multi-family development. This can be a prohibitive cost barrier for new customers who otherwise would prefer to take natural gas supply service.

Q. How does Rate Schedule 1A achieve this objective to provide a more economical option for new multi-family housing customers?

A. Rate Schedule 1A rebalances the potentially significant upfront costs associated with the master meter and natural gas facility installations by reducing the amount of upfront investment from the customer and adding a per-unit fixed monthly customer charge. This approach more closely matches the customer's expected usage as well – a fixed customer charge collected monthly matches the customer's monthly usage of the master meter over its service life. Additionally, this rate design mirrors the structure of Rate Schedule 1, which applies to single family residences and has a fixed monthly customer charge per housing unit.

Q. How does Rate Schedule 1A provide rate stability and revenue stability for VNG?

A. The minimum term and the fixed per-unit charge contribute to rate and revenue stability. Requiring customers to commit to a minimum term through a contract or guarantee provides some certainty that VNG will recover the costs to install the meter and gas line facilities. The fixed per-unit customer charge, as opposed to a volumetric usage based charge, provides stable monthly revenue. Recovering fixed non-gas costs through a fixed monthly customer charge provides a closer match between the approved level of revenues and the non-gas costs.

Q. How did VNG calculate the fixed \$6.00 per unit monthly customer charge on Rate Schedule 1A?

A. The Company determined that without Rate Schedule 1A multi-family customers would take service under Rate Schedule 2B. VNG is proposing a \$30 customer charge under Rate Schedule 2B in this Application. To be eligible for Rate Schedule 1A, the master meter must be connected to a multi-family development with at least five housing units. Therefore, the Company divided the proposed \$30 customer charge in Schedule 2B by the minimum required housing units under Schedule 1A to determine the appropriate per-unit fixed customer charge, \$6.00 per unit, necessary for the Company to recover the costs of the master meter and related facilities.

III. REVENUE ANALYSIS

Q. Please summarize the historic test year revenues under the current rates.

A. The Company generated \$133.4 million of jurisdictional non-gas revenue during the test year, the 12 months ended September 30, 2016.

1 **Q. Please explain any changes to the proposed rate schedules that would impact the**
2 **comparison of the test year with the rate year, which is the 12 months ending**
3 **August 31, 2018.**

4 A. Other than incorporating SAVE Plan expenditures and revenues into base rates that
5 Company witnesses Morley and Heintz address, there are none.

6 **Q. What is the Company's methodology to project the number of customers and**
7 **volume of natural gas consumption in the rate year?**

8 A. The Company forecasts the number of customers, also synonymous with "billing units"
9 in some instances, by taking the actual number of customers on each rate schedule that
10 were billed as of September 30, 2016, and adjusting that number for seasonal factors and
11 expected growth. A working group of personnel from the marketing, engineering, and
12 regulatory departments collaborate to develop the monthly growth (or decline) forecast as
13 part of the Company's budget process.

14 Just as the Company did in the 2011 Rate Case, VNG developed the consumption
15 forecast for Rate Schedules 1 and 2 by estimating an average use per customer. To
16 calculate this estimate, the Company uses a multiple regression model employing heating
17 degree days, including long-term trends to account for changes in heat sensitivity over
18 time, and Virginia economic indicator data from the Federal Reserve Bank. Additionally,
19 a non-parametric, cubic spline technique can more precisely account for changes in
20 relative heat sensitivity during shoulder months. The Company applied the results of
21 these equations to the average temperature data as measured by the National Oceanic and
22 Atmospheric Administration (NOAA) at the Norfolk Airport for the 30-year period of
23 July 1, 1986, through June 30, 2016.

1 For Rate Schedules 5 through 15, the Company developed the consumption forecast by
2 individual customer and then aggregated the total. To prepare the forecast by individual
3 customer, VNG reviews historical monthly consumption data from the test year period
4 (October 1, 2015 through September 30, 2016) with input from the marketing
5 department, and corrects for future changes in demand resulting from customer
6 expansions and contractions and one-time, extraordinary events such as re-tooling, strikes
7 and storms. This is the same methodology the Company followed in the 2011 Rate Case.

8 **Q. Have you applied the proposed rates to the rate year forecast of customers and**
9 **consumption?**

10 A. Yes. Filing Schedule 42 provides the expected revenue generated by the proposed rates
11 in the rate year, which matches the revenue requirement that Company witness Morley
12 supports.

13 **Q. How will the proposed rates impact the typical residential customer's bill?**

14 A. If approved by the Commission, a residential customer's monthly bill will contain an
15 average rate increase of \$7.98 per month, based on annual consumption of 571 CCFs.
16 Sample bills for each proposed revised rate schedule are provided in Filing Schedule 43.

17 **Q. Mr. Meiselman, does this conclude your pre-filed direct testimony?**

18 A. Yes, it does.

**BACKGROUND AND QUALIFICATIONS
OF
DAVID M. MEISELMAN**

Mr. Meiselman is Managing Director, Rate Design and Tariff Administration of Southern Company Gas (“GAS”), and is responsible for the oversight of the rates and tariffs of GAS’ regulated public utility subsidiaries. He assumed this role in September 2016. He also assists with coordinating financial information for rate cases, directs and coordinates responses to data requests in proceedings before federal and state regulatory agencies, and provides various analyses, regulatory interpretations, consulting to senior management at GAS and The Southern Company (“Southern”). Prior to his current role, Mr. Meiselman was the Assistant to the Executive Vice President and Chief Financial Officer of Southern. His responsibilities included preparing executive management for earnings calls, M&A analysis, and coordinating Southern’s participation in regulatory approval proceedings relating to the merger between Southern and GAS, formerly AGL Resources Inc. Prior to this role, Mr. Meiselman was Regulatory Accounting Manager of Georgia Power Company (“GPC”). He was responsible for determining GPC’s revenue requirements and overall coordination of its base rate cases. Mr. Meiselman oversaw GPC’s retail return on equity and cost allocation methodologies. As the Manager of Financial Planning for GPC, he was responsible for the development, communication, and execution of GPC’s financial plan, and assessment of the impacts to that plan throughout the year. He was Manager of Financial Analysis for GPC providing financial guidance and financial plan impacts to Resource Planning, Market Planning, and Products and Services.

Mr. Meiselman has previously worked for Southern Company Services (“SCS”) in the Finance and Capital Markets organization. As a Principal in Capital Markets, he primarily assisted Southern Power in obtaining long and short-term capital to fund its business operations while also providing financial guidance to the energy marketing, generation development, and asset acquisition groups. Additionally, he was involved in a number of financings related to Southern and the regulated operating companies. Mr. Meiselman began his career at Southern in 1998 as a part-time employee while completing his MBA.

Mr. Meiselman received a B.S. in Economics from the Wharton School of The University of Pennsylvania in 1995 and an MBA from Emory University in 1999 with a concentration in finance.

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	Current	Proposed	Change
<u>Schedule 1 - Residential</u>			
Customer Charge	\$ 11.00	\$ 20.00	\$ 9.00
Save	\$ 3.15	\$ -	\$ (3.15)
Consumption in CCF			
0 to 35 CCF	\$ 0.37740	\$ 0.40737	\$ 0.03
Over 35 CCF	\$ 0.34858	\$ 0.40737	\$ 0.06
<u>Schedule 1.A - Multi-Family</u>			
Customer Charge		\$ 6.00	\$ -
Save		\$ -	\$ -
Consumption in CCF		0.40737	\$ -
<u>Schedule 2 - General Firm Sales</u>			
<u>Schedule 2.A - Generator Only Accounts</u>			
Customer Charge	\$ 14.10	\$ 16.50	\$ 2.40
Save	\$ 0.55	\$ -	\$ (0.55)
Consumption in CCF			
0 to 70 CCF	\$ 0.27815	\$ 0.09708	\$ (0.18107)
Over 70 CCF	\$ 0.24005	\$ 0.09708	\$ (0.14297)
<u>Schedule 2.B - Small Commercial and Industrial Accounts with up to 4,000 CCF Annual Consumption in CCF</u>			
Customer Charge	\$ 14.00	\$ 30.00	\$ 16.00
Save	\$ 3.95	\$ -	\$ (3.95)
Consumption in CCF			
0 to 70 CCF	\$ 0.27815	\$ 0.22357	\$ (0.05458)
next 430 CCF	\$ 0.24005	\$ 0.22357	\$ (0.01648)
Over 500 CCF	\$ 0.21519	\$ 0.22357	\$ 0.00838
<u>Schedule 2.C - Large Commercial and Industrial Accounts with greater than 4,000 CCF Annual Consumption in CCF</u>			
Customer Charge	\$ 20.00	\$ 75.00	\$ 55.00
Save	\$ 29.31	\$ -	\$ (29.31)
Consumption in CCF			
0 to 70 CCF	\$ 0.39981	\$ 0.29284	\$ (0.10697)
next 430 CCF	\$ 0.24540	\$ 0.29284	\$ 0.04744
next 4,500 CCF	\$ 0.19654	\$ 0.18000	\$ (0.01654)
Over 5,000 CCF	\$ 0.15641	\$ 0.18000	\$ 0.02359
<u>Schedule 3 - Residential Air Conditioning</u>			
<u>Customer Charge</u>			
October through April	\$ 11.00	\$ 20.00	\$ 9.00
May through September	\$ 11.38	\$ 20.50	\$ 9.12
Save	\$ 3.15	\$ -	\$ (3.15)
<u>Consumption in CCF</u>			
October through April			
0 to 35 CCF	\$ 0.37740	\$ 0.35744	\$ (0.01996)
Over 35 CCF	\$ 0.34858	\$ 0.35744	\$ 0.00886
May through September			
0 to 35 CCF	\$ 0.26577	\$ 0.25000	\$ (0.01577)
Over 35 CCF	\$ 0.21385	\$ 0.25000	\$ 0.03615
<u>Schedule 4 - General Firm Gas Sales Service/Air Conditioning</u>			
<u>Customer Charge</u>			
October through April	\$ 14.00	\$ 90.00	\$ 76.00
May through September	\$ 14.75	\$ 100.00	\$ 85.25
Save	\$ 60.95	\$ -	\$ (60.95)
<u>Consumption in CCF</u>			
October through April			
0-70 CCF's	\$ 0.39981	\$ 0.34035	\$ (0.05946)
Next 430 CCF's	\$ 0.24540	\$ 0.34035	\$ 0.09495
Next 4,500 CCF's	\$ 0.19654	\$ 0.20000	\$ 0.00346
Over 5000 CCF's	\$ 0.15641	\$ 0.20000	\$ 0.04359
May through September			
0-70 CCF's	\$ 0.25744	\$ 0.30527	\$ 0.04783
Next 430 CCF's	\$ 0.27478	\$ 0.30527	\$ 0.03049
Next 4,500 CCF's	\$ 0.17154	\$ 0.17250	\$ 0.00096
Over 5000 CCF's	\$ 0.17154	\$ 0.17250	\$ 0.00096
<u>Schedule 5 - Gas Light Service</u>			
Port Fee	\$ 12.28	\$ 13.52	\$ 1.24
Save	\$ 0.14	\$ -	\$ (0.14)
<u>Schedule 6 - High Load Factor Firm Gas Delivery Service</u>			
Customer Charge	\$ 465.00	\$ 800.00	\$ 335.00
Save	\$ 331.43	\$ -	\$ (331.43)
Demand Charge	\$ 0.17190	\$ 0.20000	\$ 0.02810
Consumption in CCF	\$ 0.05677	\$ 0.06501	\$ 0.00824
<u>Schedule 7 - General Firm Gas Delivery Service</u>			
Customer Charge	\$ 525.00	\$ 700.00	\$ 175.00
Save	\$ 162.14	\$ -	\$ (162.14)
Demand Charge	\$ 0.17000	\$ 0.20000	\$ 0.03000
Consumption in CCF			\$ -
0-500 CCF's	\$ 0.15649	\$ 0.17800	\$ 0.02151

	Current	Proposed	Change
Next 4,500 CCF's	\$ 0.14235	\$ 0.17800	\$ 0.03565
Next 5,000 CCF's	\$ 0.10852	\$ 0.09750	\$ (0.01102)
Over 10,000 CCF's	\$ 0.06461	\$ 0.07430	\$ 0.00969
Schedule 9 - Interruptible Gas Delivery Service			
Customer Charge			
Annual Usage less than 500,000 CCF	\$ 335.00	\$ 650.00	\$ 315.00
Annual Usage 500,001 to 10,000,000 CCF	\$ 335.00	\$ 650.00	\$ 315.00
Annual Usage greater than 10,000,000 CCF	\$ 335.00	\$ 650.00	\$ 315.00
Save	\$ 222.21	\$ -	\$ (222.21)
Consumption in CCF			
Annual Usage less than 500,000 CCF	\$ 0.04725	\$ 0.04897	\$ 0.00172
Annual Usage 500,001 to 10,000,000 CCF	\$ 0.03296	\$ 0.03690	\$ 0.00394
Annual Usage greater than 10,000,000 CCF	\$ 0.02970	\$ 0.03250	\$ 0.00280
Schedule 11 - Firm Compressed NGV Service			
Customer Charge	\$ 12.33	\$ 125.00	\$ 112.67
Save	\$ 88.63	\$ -	\$ (88.63)
Fueling Station Charge	\$ 0.25910	\$ 0.26000	\$ 0.00090
Consumption in CCF	\$ 0.05032	\$ 0.05261	\$ 0.00229
Schedule 12 - Firm Distribution NGV Service			
Customer Charge	\$ 12.33	\$ 125.00	\$ 112.6700
Save	\$ 88.63	\$ -	\$ (88.63)
Consumption in CCF	\$ 0.05032	\$ 0.05261	\$ 0.00229
Schedule 14 - Firm Distribution NGV Services			
Customer Charge	\$ 330.00	\$ 425.00	\$ 95.00
Save	\$ 88.63	\$ -	\$ (88.63)
Consumption in CCF	\$ 0.05334	\$ 0.05935	\$ 0.00601
Schedule 15 - Seasonal High Load Firm Gas Delivery Service			
Customer Charge	\$ 407.61	\$ 2,461.03	\$ 2,053.42
Save	\$ 2,053.42	\$ -	\$ (2,053.42)
Consumption in CCF	\$ 0.03457	\$ 0.03457	\$ -
Schedule 16 - Seasonal High Load Firm Gas Delivery Service			
Customer Charge	\$ 335.00	\$ 557.21	\$ 222.21
Save	\$ 222.21	\$ -	\$ (222.21)
Consumption in CCF	\$ 0.0291	\$ 0.0291	\$ -
Monthly Facility Charge Factor:			
	1.73% Per Month	1.73% Per Month	
Monthly Maintenance Charge Factor:			
	.61% Per Month	.61% Per Month	
Tax Recovery Factor:			
	1.25%	Year	
		2017	1.1819%
		2018	1.2046%
		2019	1.2274%
		2020+	1.2956%
Service Connection Charge:			
	\$ 30.00	\$30.00 PER CONNECTION	
Seasonal Reconnection Charge:			
	\$ 40.00	\$40.00 PER CONNECTION	
Service Reconnection Charge:			
	\$ 17.75	\$17.75 PER CONNECTION	
Accelerated Reconnection Charge			
	\$40.00 PER CONNECTION	\$40.00 PER CONNECTION	
Late Payment Charge:			
	1.50% Per Month	1.50% Per Month	
Check Handling Charge - Insufficient Funds:			
	\$20.00 Per Check	\$20.00 Per Check	
Wght Up Service Call Charge:			
Residential:			
September 16 thru October 15	\$20.00 Per Service Call	\$20.00 Per Service Call	
October 16 thru March 31	\$30.00 Per Service Call	\$30.00 Per Service Call	
Non-Residential:			
September 16 thru October 15	\$20.00 Per Appliance	\$20.00 Per Appliance	
October 16 thru March 31	\$40.00 Per Appliance	\$40.00 Per Appliance	